

THE EMERGENCE OF TRADEMARKS IN THE ECONOMIC SYSTEM THROUGH THE SYNERGY OF ECONOMICS AND LAW: HUNGARIAN PRODUCT TRADEMARKS AND GENERATION “Z”

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Abstract - The study aims at researching the relationship of product trademarks and their effects on consumer purchasing behaviour. Trademarks should be viewed in a multifactorial framework, and can be understood from corporate and consumer perspectives. Companies use them to communicate corporate excellence in a field, as they provide protection or even exclusivity. For example, although the term “champagne” has an informal meaning internationally as sparkling wine, in practice only those specific sparkling wine producers can use it which originate from the Champagne region in France. Thus, it represents a territorial and quality association. Companies use them for differentiation and protection as well, they have a complex legal framework behind them. Consumers on the other side look at and identify these trademarks as a reassurance to their purchases. Some look for local and domestic brands, some for quality, some take them into consideration as a principle, preferring to buy domestic products. If a product has a trademark, that is a strong signal towards the buyer. In our study, we examine the legal background of product trademarks, describe their functioning from an economic perspective, and with a primary study focusing on the behaviour of Generation Z, we look at the statistical correlation of trademarks and purchasing decisions.

Keywords: consumer behaviour, legal framework, generation Z, trademark.

INTRODUCTION

Trademarks are gaining importance in the globalized economy as they emerged from the cooperation of legal and business sectors in order to assure the customers about which economy they support by buying the product (Dahan et al., 2010). Trademark is a legal and an economic entity at the same time. From a legal perspective it is an intellectual property, which is under the regulation of specific laws in developed countries.

From the economic perspective, a trademark can possibly be built into becoming a brand, which infers exponential value to the product or service. This double nature of trademarks can be exploited by firms aiming to protect their respective brands with the use of laws (Jain, 2021). The aim of this activity is to gain a competitive edge in a situation in which market competition is highly developed, and secondarily, to enable customers to distinguish a firm's products from others. Also from an economical perspective, building brands into becoming trademarks is worthy to appear in the goals of firms, as this process provides cost-efficient protection for the brand on the market. Also, brands becoming trademarks can possibly be considered as product or service development, which is capable of convincing potential customers to purchase. Therefore, the author's argument is that a firm that aims to function efficiently has two strategic options: building a brand from an existing trademark, or building a trademark from an existing brand.

A trademark is seen as a characteristic of a given product or service, and as it originated from law, the customers are likely to experience more reliability compared to being solely a brand. It seems that a built brand which is based on a trademark, is more adaptable to feedback mechanisms, as



marketing activity in which the brand is presented to the customers appears to be flexible and multi-channelled.

Our research aims at looking at trademarks from different perspectives - legal and economic - and examining the consumer behaviour of Generation Z in regard to product trademarks.

1. Research methods

During our investigations, when we examine the validity of our established theory, we make an attempt at a deductive research aimed at a deeper understanding of a rarely investigated problem. We assume that members of Generation Z know and differentiate between the product trademarks, and that the more conscious a buyer is, the higher the importance of trademarks is.

During the preparation of the study, we relied on secondary statistical data collection and primary quantitative questionnaire research. The research topic is foundational, so we obtained indicator-type data during convenience sampling, on a sample of 104 university students. Due to the material and human limitations of the research, it is therefore not representative. Respondents were students between the ages of 18-25 from two universities,

- 1) Budapest Business School (BGE) from Budapest Hungary and
- 2) University of Dunaújváros (DUE) from Dunaújváros Hungary.

We prepared a primary questionnaire study with 26 questions, mainly simple and multiple choice, and scaling questions measuring attitude using six-point likert scales. Likert scales measure positive or negative attitude towards a question. Odd and even scales may be used in this case. In terms of odd scales, a central value can determine a neutral response, but also provides an escape option if the person doesn't wish to answer a question. This option is not given if the scale is even, thus "forcing" the respondent to signal either a positive or negative sentiment. As the study aims in determining sentiment towards trademarks and the factors effecting them, we decided that an even scale will provide less distortionary effect. The questions can be divided into three groups, first demographic in nature (gender, income level, the number of people living together etc.), then the familiarity of different trademarks and their importance in making purchasing decisions, and third, consumer behaviour (the importance of factors when consuming like price, quality, sustainability, trademarks etc.). All questionnaires were prepared anonymously, no data was collected that could potentially identify the respondent.

In the first step, the data and the answers to the paper based questionnaire were digitized with Microsoft Office Excel 2022 program. We imported the data from Excel into the IBM SPSS Statistics 26.0 statistical and analytical software, where we performed a deep, quantitative analysis of the received data (IBM, 2021). We prepared general statistical analysis (means, standard deviation), deep analysis was done using Pearson Correlation and cluster analysis using the ward method, which uses deviation as a basis (Sajtos-Mitev, 2007). During the ward procedure, the software creates the clusters based on the smallest standard deviation.

Accordingly, we obtained homogeneous groups of respondents based on their consciousness when making purchasing decisions. Using these clusters, we examined if they show any patterns on: a) demographic basis or b) importance on the factors influencing purchasing decisions (price, quality, brand, producer, trademark, sustainability, comfort, accessibility). Data gathering was performed during March 2023 and the sample involved 104 people.

2. Trademarks as a legal framework

Real world customers of any given market are almost never totally and equally informed, and the 'informedness' appears to be an aim of marketing activity. The peculiarity of consumer protection in the 21st century is that information, data protection and, in this connection, digital transparency are given a prominent role (Falus, 2023, p. 85). Therefore, trademarks that are built into brands to improve market position hold information which is better to be communicated through the marketing channels, as they contain additional information that has effect on the customers' buying intentions.



Extrinsic and intrinsic cues related to the product affect the consumers' decisions to buy them. Intrinsic cues are the materials used, the design of the product and performance, while extrinsic cues are price, brand name, store reputation, warranty and Country of Origin. (Bilkey and Nes, 1982). Country of Origin might appear as an assured quality measure of the product or service itself, and affect the customer towards buying through the shared belonging to the given country. Country of Origin appears as a great example of a trademark built into becoming a brand, therefore, our analysis focuses on its most accessible example for the author, namely the Hungarian Product trademark.

In order to obtain the Hungarian product trademark, the raw materials, ingredients, the manufacturing process and the final product shall exceed the criteria stipulated in the regulations of an independent organization. The above mentioned the raw materials must be 100 % Hungarian, which means in case of foods the animal was raised in our country the plant was grown in Hungary, all processing steps took place in our country, the (raw) materials used are from Hungary, in ingredients additives, spices and salt can be exceptions. Therefore, using a country-of-origin sign when selling a product or a service aims to target the market segment which experiences certain, arising positive emotions related to the originating country. Although this effect seems simple, the complex cooperation of law, economics and psychology is required to increase the buying intentions of the customers.

In the current study, economics and law are being focused on when analysing the emergent phenomena either when trademarks are built into brands, or brands are built into becoming trademarks. A common characteristic of brands and trademarks is that they both aim at having the customers fully informed about the product or service they represent, although in real world situations, information asymmetries are present between trademarks/brands and (potential) customers (Casson and Wadeson, 2010). These asymmetries are disbanded by information-rich marketing activity instead of purely sales-increasing marketing strategies with relatively low information delivery.

Trademarks originate from either inner- or outer sources: inner source is present if the owner company patents one of their products or services, while outer source trademarks are obtained by having an external organization to provide the trademark for the company. In the inner source case, the trademark is likely to be unique, while in the outer source case, the trademark is a container of different products or services sharing some characteristics. The market, especially the FMCG markets are characterized by brand wars (Miskell, 2010), which promotes the usage of trademarks as additional elements to gain the trust of the customers. Although the trust of a customer does not always result in purchasing the product or service, the effect of trust affecting purchase intention was found to be significant (Sichtmann, 2007). Although from an organizational aspect, having a homogenous market is a favourable situation, market segmentation is a powerful marketing tool to identify the groups which base their purchase intentions on the trust they have in a certain product or service. A well-established outer originated trademark such as Hungarian Product trademark inherently contains information for customers to base their decisions on, while most of the inner originated trademarks rely on the brand backing up the product or service, containing relatively less information for customers to base their buying decision upon. Therefore, it is reasonable to assume that inner originated trademarks contain less information for customers compared to outer originated trademarks.

3. Brands and Trademarks as a marketing and corporate tool

When branding, it is important to highlight that it is not only a means of visual differentiation, but - viewed from the consumer's point of view - a set of promises, perceptions and gut feelings that group together intangible and complex ideas and concepts. We thereby create value for the organization and provide a complex experience that is created through experience (Papp-Váry, 2020). So, beyond its physical appearance, the brand is a set of feelings and promises, an image in the consumer's "brain" that affects the perception of the organization as a whole. It can be interpreted from the consumer and producer side.

There are several definitions of brand. Two are generally accepted:



a) A brand is a name, term, design, symbol or any other feature that distinguishes the goods or services of one seller from those of other sellers (AMA, 2021).

b) A brand is a name, term, sign, symbol or design, or a combination thereof, that identifies the goods or services of a seller or group of sellers and distinguishes them from those of competitors (Kotler et al., 2005, pp. 549).

There is a battle of competing images (Scammell, 2015). The image can be understood as a kind of manipulation that enables easier influence by creating a virtual image, as opposed to, for example, meaningful communication that requires higher cognitive abilities. Branding is the source of brand value, which consumers feel, and what companies communicate and convey. In this case, viewed through Aaker's brand value model (Bauer and Kolos, 2016; chapter 4.2), businesses face several challenges. They must increase brand awareness, thereby reducing the risk of choice from a consumer point of view, and brand associations help with this. In terms of branding, a positive effect can be observed if the organization's brand - which includes its complex value system - is in line with the individual's "self-brand", i.e. with their self-image, thus strengthening the relationship (Bowden and Mirzaei, 2021). Consumers who have this alignment are more likely to have positive feelings about a brand. This is also associated with external communication, so they give the brand a positive evaluation, interact more with it, and also connect and communicate on a social level, and network with other consumers of the brand.

The interaction also helps the organization to collect data, analyse it, and then send even more effective messages, thus increasing the customer value (Kandikó, 2005), which in this form means the subjective satisfaction of the buyer. Thanks to digitization, today's modern brands are no longer developed only through the traditional communication of organizations, but also during interactions in the online space, especially on social media platforms, as users have become integral parts and co-creators of the branding process (Dennhardt, 2012).

During positioning, organizations focus on the profit-seeking behaviour of consumers and try to associate attributes with the organization and the brand that encourage the consumer to make positive decisions. If such a clear position does not develop in the eyes of the consumer, then the brand itself does not mean anything. A ranking is thus established by the consumer, forming positions of brands that are ordered below and above each other. This partially depends on the supply of available brands, in accordance with the order of the consumer's preferences. During repositioning - for example, as a result of effective, new quality promises or advertising - this order may change. (Hollensen, 2011, pp. 477-494; Tóth, 2009. pp. 205-229, Rekettye and Fojtik, 2009. pp. 198-207). During the formation of the brand, the consumer can be interpreted in two ways: either it is connected to the given brand on a psychological and emotional basis, so has a brand identity, or the consumers are driven by some rational interest, they try to maximize profit and their own advantages, and they support the brand that promises more (Downer, 2016).

In this context, trademarks are similar to brands, they identify a corporate identity, but trademarks have a connection to intellectual property rights (Tardi, 2022), while brands are multifactorial concepts that provide an overall reflection to a company or organisation. Trademarks can be used to tackle counterfeiting practices, and studies show that these businesses use a variety of methods or strategies to obtain products from legitimate organisations. These are then re-engineered, produced and distributed parallel to the original ones. An extraction strategy involves genuine parts that are from a legitimate supply chain, the production strategy involves early access to information and product designs, the distribution strategy that minimises risk by low quantity and diversified logistics and shipping (Stevenson and Busby, 2014). These practices use the existing brands, trademarks and associated value to trick consumers into buying.

Product and corporate trademarks should be differentiated, as research shows that while corporate trademarks have a positive effect and increase on sales figures, product trademarks on their own don't have the same effects (Agostini, Filippini and Nosella, 2014). Additionally, research shows that these trademarks as intangible corporate assets are sometimes misused by companies, identifying for example sustainability or environmental protection, whereas in reality "greenwashing" is done without any relevant corporate practice (Cavagnero, 2021).



According to the representative n=510 research done by Innofood, ordered by the Hungarian Product Nonprofit Ltd (2019), HPN for short, 85,9% of people would prefer buying Hungarian goods over foreign ones, 46,9% would still buy Hungarian ones if its 10% more expensive and 52,7% if the product is 10% more expensive but its origin is validated by a trademark. Respondents identified the Hungarian tricolour, the HU emblem, or the Hungarian Product Trademark as indication of local/domestic origin. Another similar research done by Innofood for the HPN (2020) shows that the pandemic had a positive effect on consumption of domestic products. Only about 25% of people stated that they are unable to differentiate domestic and foreign products.

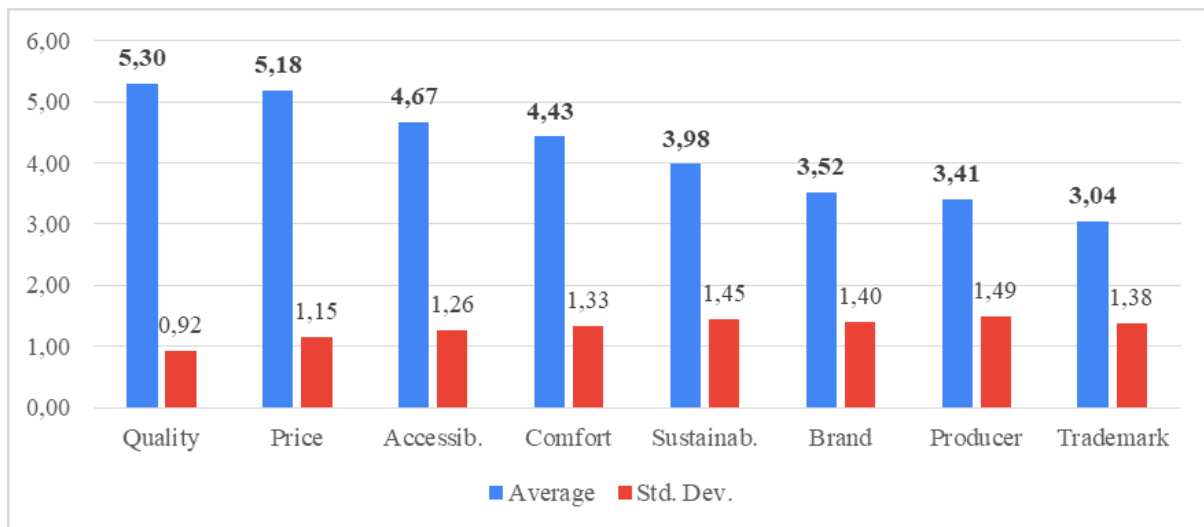
4. Generation Z and consumption

Generation Z should be differentiated from other generations, in terms of information gathering and preferences when making consumer decisions. It should be noted that apart from previous generations, they spend a lot more time on the internet, furthermore are constantly present on social media, and this influences them greatly, including their expectations and priorities when making decisions (Özkan and Solmaz, 2017). Studies have shown that a line of factors, including the internet, product description, external factors, deals and product identity are the primary ones that should be considered when analysing their purchasing behaviour. Other studies (Kymalainen et al, 2021) show that Gen Z focuses on creating personal and durable practices that they are able to use on the long term. This on its own is in sharp contrast with the findings, that on an everyday scenario, or on a daily operational level, the same group shows a much higher flexibility and prefers spontaneity when performing tasks. This also means that it is much harder for Gen Z to manage some responsibilities, as they rely on ad hoc decision making. When considering factors in purchasing decision, the same generation shows greater price sensitivity (Makiniemi et al, 2014). This is an even more important aspect, than for example environmental protection or other environmental factors. This is in connection with their general economic situation. For example, climate-friendly choices were rarely chosen because of the high costs affiliated with a product or service. This again is in contrast with the findings that regardless of price sensitivity, they show great interest in awareness, especially regarding sustainability and environmental issues, also ethics are carefully considered (Djafarova and Fouts, 2022). This can be due to the constant information sharing on social media and their exposure to sensitive content and societal issues. In summary, it should be stated, that Gen Z purchasing behaviour is complex and conflicting/contradictory. When analysing their behaviour, data should be carefully put in context considering price awareness and sociocultural factors.

5. Primary study and data analysis

When we consider the different factors of making purchasing decisions, we can identify a clear preferential order. Respondents were asked to choose on a scale of 1-6 - 1 being not at all and 6 being the most important - how important the different factors are when making a purchasing decision in general. For those affiliates of Generation Z, the top three most important are quality (5,3), price (5,18) and accessibility (4,67), while trademark is the least important (30,4) of all factors (see in detail, Figure No. 1). The data shows an inverse relationship with standard deviation. The least important a factor is, the greater the standard deviation is, meaning that respondents agree more in the factors they deem important, and they agree less in those, they consider less important. Quality has the lowest (0,92) and producer has the highest (1,49) standard deviation.

Figure No. 1. The importance and standard deviation of the factors influencing purchasing decisions.

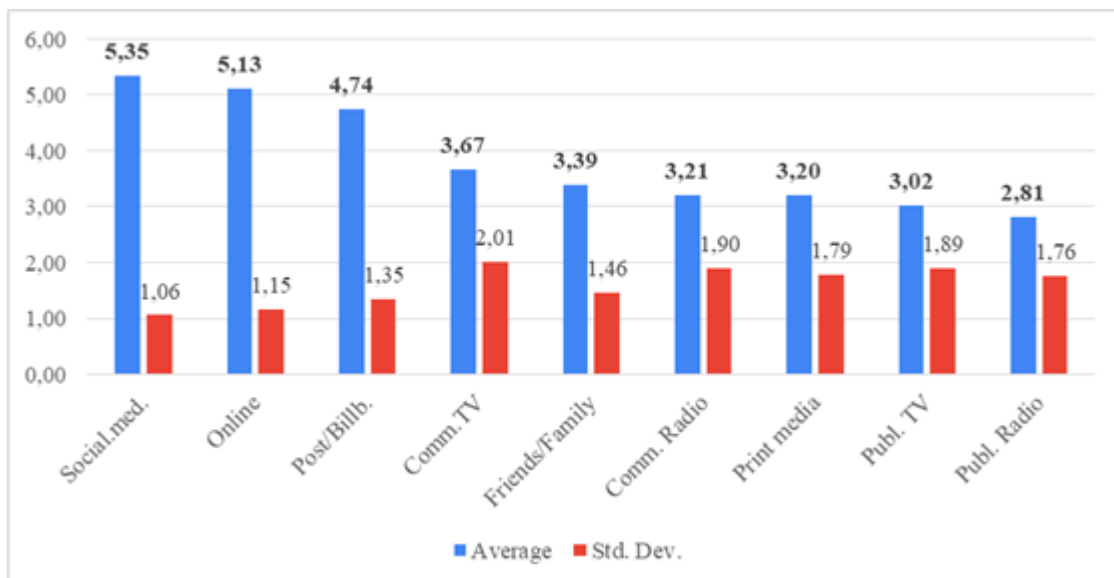


Source: own editing according the primary questionnaire study

We were interested in where Generation Z encounters advertisement, thus we listed a line of communication channels: Friends and Family, Commercial TV, Public Service TV, Commercial Radio, Public Service Radio, Online and webpages, Social Media, Print Media, Posters and Billboards. The frequency was measured on a 1-6 scale, 1 meaning almost never and 6 meaning more times a day. There are generational differences present in term of communication preference, thus we presume that the data is more reflective on Generation Z habits. They receive advertisement and product recommendations the most through Social Media, Online and see them on Posters/Billboards when commuting (see in detail, Figure No. 2.).

The data also shows, similarly to the factors influencing purchasing decisions, that the more the respondents see advertisement on a channel, the lower, the less they see product offers, the higher standard deviation is, although the trend is not as inverse as in the previous case. This means that they agree more on the channels they see a lot of advertisement, and agree less on the channels where they encounter less ads.

Figure No. 2. Ad encounter frequency and standard deviation on the researched communication channels.



Source: own editing according to the primary questionnaire study

In the primary questionnaire study, we looked at seven trademarks on the Hungarian market, namely: Hungarian Product Trademark, Superbrands, Value and Quality Grand Prize, Domestic Product,

Excellent Product, Domestically Processed Product and the Green product Label. 93,3% of the sample responded that they heard about the Domestic label, and 58,7% about the Hungarian Product Trademark, which were ranked the highest. The Value and Quality Grand Prize is the least known with 17,3%. Other labels ranged between 42 and 53%.

A discrepancy should be noted in the data. Purchasing frequency was researched on a 1-6 scale, 1 meaning never and 6 meaning almost always. Although the average of Trademarked products was 3,05 (Big brands 4,43; Private label 4,42; Artisan/Crafts 2,78), when asked if they can identify which trademarks they use, without looking at them, 72,1% responded that they would be unable to. Also 77,9% wouldn't pay more for the trademark labelled product, if the other alternatives and competing goods were of same quality.

We also performed the deep analysis of the gathered data. Pearson correlation measures association on a +1 to -1 scale, +1 meaning perfect movement together, and -1 a perfect inverse relationship. The number is indexed and flagged if there is significant correlation, in case of „*” the correlation is significant at a 0,05 level (95%), in case of „**”, the correlation is significant on a 0,01 level (99%). In terms of consumer decisions, the importance of: price, quality, brand, trademark, producer, sustainability, accessibility and comfort was researched. Respondents rated the importance of these factors on a 1-6 scale, 1 meaning the least, and 6 very important.

We analysed the effects of demographics on purchasing decisions, factors and frequency, in detail see table No. 1.

Gender and inflation show connection, the correlation is negative 0,308**, meaning that women sense a stronger effect of inflation on their daily lives than men. In case of gender and price (-0,291**), women are more price sensitive, also accessibility is more important for the women respondents (-0,227*).

Income shows a connection with some of the factors that influence purchasing decisions. The higher the income, the lower the perceived effect of inflation (-0,283*); the least important price (-0,230*) and the more important brand is (0,205*) for the respondent.

The size of the place of residence shows no effect on these factors, and the number of people living together only has an effect on the importance of price (0,242**), thus the more residents live together, the higher the importance of price is.

We also asked respondents to classify on a 1-6 scale, 1 meaning never and 6 always, how many times they buy products of: big and well-known brands, private-label products of discount supermarkets, artisan or craftsman, and lastly trademarked products. Only residence shows a connection with private labels (0,224*), the bigger the city is, the more frequent private label purchases are, which is logical since discount chains prefer bigger cities as it provides economies of scale.

Table No. 1. The effects of demographics on purchasing decisions

| DEMOG. | IMPORTANCE | | | | | | | | | PURCHASING | | | |
|-----------|------------|----------|---------|--------|----------|---------|------------|---------|-----------|------------|------------|---------|---------|
| | Inflation | Price | Quality | Brand | Producer | Tradem. | Sustainab. | Comfort | Accessib. | Big brand | Priv. lab. | Artisan | Tradem. |
| Gender | -0,308** | -0,291** | -0,115 | -0,142 | 0,027 | 0,100 | -0,076 | 0,004 | -0,227* | -0,093 | -0,056 | -0,022 | 0,076 |
| Residen. | -0,063 | -0,087 | 0,138 | 0,085 | 0,074 | -0,139 | 0,115 | 0,028 | 0,071 | 0,186 | 0,224* | 0,033 | 0,042 |
| Income | -0,275** | -0,230* | 0,108 | 0,205* | 0,137 | 0,182 | -0,008 | -0,135 | -0,241* | 0,166 | 0,022 | 0,086 | 0,013 |
| Living t. | 0,079 | 0,242** | 0,037 | -0,138 | -0,061 | -0,002 | 0,042 | 0,031 | 0,098 | -0,073 | -0,080 | -0,118 | 0,095 |

Source: own editing according to the primary questionnaire study

Demographics show no correlation with how frequently they get product recommendations from different communication channels, and only gender has a weak effect on purchasing decisions. Women respondents show a greater willingness to purchase as a result of advertising (-0,217*), and they are more prone to impulse buying (-0,256**).

In terms of the different factors (price, quality, brand etc.), quality generally shows a weak to moderate positive correlation with the other, thus if this factor is more important, usually the others are as well. Two other cases are mentionable, one, brand and producer, that has a very strong relationship (0,755**), meaning that these terms “brand” and “producer” might be somewhat interchangeable and are strongly related in the minds of the responding members of Generation Z. The other being accessibility (how easy it is to get to a shopping destination) and comfort (how



important it is to buy the most things in one place) that have the second strongest connection (0,669**). These two also show a connection with price (0,271** and 0,351**) which demonstrates that those who value comfort and accessibility more, are also more price sensitive (price is a more important factor). This goes against our assumption, as usually these two are associated with higher prices, for example in our experiences a shopping centre or a plaza is usually situated in a widely accessible place, and has a high density of shops that creates a gravitational pull of shoppers, also usually meaning higher prices. The data and the research does not support this presumption.

When looking at purchasing frequency of four product types, big corporate brands, private-label, artisan and trademarked products, we also presumed that income will have a positive relationship with big branded goods and a negative correlation with private-labels, as those with higher income are associated with lower price sensitivity. The Pearson Correlation data does not support this argument and no such connection is visible. Similarly, the assumption that higher income people buy more expensive artisan and hand made products, and put a higher importance on sustainability, also cannot be validated by the given sample, no correlation can be seen. Artisan goods show a relationship with brand (0,239*) and sustainability (0,383**) thus those to whom brand is more important and value sustainability, buy more frequently crafts goods.

When looking at the communication channels (how often they receive product recommendation or advertisement) and the factors affecting purchasing, we only see relevant connection in terms of those gathering information online and through social media, both of which have an increasing effect of price sensitivity (0,239* and 0,219*).

We asked our respondents to evaluate how conscious do they think they are, 1 meaning not at all, and 6 meaning totally. Consciousness shows a correlation with the importance of trademarks when shopping (0,215*) and sustainability (0,386**), meaning that those declaring themselves as more conscious shoppers, also put higher importance on trademarks and sustainability when buying goods. They also proclaim to buy trademarked goods (0,203*) and products with domestic connection (0,270**) more frequently, and they also read in more detail the description on the packaging (0,378**). We presumed that those more conscious shoppers will be less effected by communication channels and price, thus to find negative correlation, but the data shows no such connection.

When looking at shopping patterns - shopping as a result of advertisement, as a result of ad campaigns with a prize draw and finally impulse buying - we find no relevant connections, neither with communication channels and advertisement frequency, neither with demographics (except for the previously described ones with gender). We presumed that people who see more advertisements and who have a higher income, also those living in bigger cities will be more prone to buying under influence, but the data shows no such connection. A similar presumption could be made in terms of how much of a conscious buyer someone thinks they are. In theory, they should be less influenced by ads, impulses and prizes, but repeatedly, no such correlation is visible.

Finally, we did a cluster analysis using the ward method. We standardised the data, given the different scales and analysed the different number clusters according to their explanatory power (eta squared) using the compare means function. We used 5 dependent variables: How much do they feel inflation, how conscious the buyer is, how effected the respondent is by: ads, campaigns with prizes and finally impulses. The independent variables were the 2-6 element clusters, created using the same variables. In all cases, the eta square of consciousness was the lowest, and the three responsiveness preferences to ads, campaigns with prizes and impulse buying had the highest, finally inflation with a slightly lower value. According to the separation of the values and the explanatory power we decided to use 4 clusters which were:

- 1) Light-hearted shoppers: Although they think of themselves as relatively conscious and they feel the effects of inflation, they still decide to indulge themselves in the joy of shopping, they like to try out new things.
- 2) Anti-campaign shoppers: Similar to the first group, with slightly lower inflation awareness, but high negative tendencies towards campaigns that are paired with prizes. They like to try out new things and buy impulsively, but not under the pressure of prizes.



3) Thrifty shoppers: Conscious shoppers with high inflation awareness, thus price sensitive and they refuse buying under the influence of ads, campaigns and impulses.

4) Conscious shoppers: Similar to the previous group, but with low inflation awareness, thus the refusal to shop under influence comes from their high consciousness.

If we look at the demographic contents of these groups, the first two has a higher ratio of women, the percentage of people living in bigger cities is also higher; and usually the number of people living under one roof is also higher. Thrifty shoppers have the lowest and conscious shoppers the highest average income, thus the effects of price sensitivity and consciousness levels can also be confirmed. By looking at the factors when making purchasing decisions, because of the higher income, the price is the least important for conscious shoppers, quality is almost equally important for each group. Brand and the producer is more important for the first two groups. There are no significant differences when analysing access and comfort. Thrifty shoppers put the highest importance on sustainability and conscious ones the lowest. Light-hearted and Thrifty shoppers put a lower, while Anti-campaign and Conscious shoppers indicate trademark labels of higher importance when purchasing goods.

CONCLUSION

By looking at the purchasing decisions of generation Z, a clear preferential order of factors can be identified, indicating that in Hungary, younger generations are highly price and quality sensitive, and put a lower importance on trademark labels, domestic affiliation and sustainability. Although most of the research sample is able to identify and know most of the trademark labels, they are unable to name the concrete ones that are on the products that they buy. The data shows a moderate effect of gender, and a low effect of income on decision making. The data also suggests, that brand and producer as factors are not clearly differentiated by Gen Z, and probably these terms are interchangeable for them. The frequency of advertisement on the different communication channels has no visible effect on purchasing decisions, except for online and social media channels which seem to enhance price sensitivity. Higher levels of consciousness have a positive effect on the importance of trademark labels, domestic production and sustainability. The cluster analysis resulted in four groups of Gen Z shoppers: 1) Light-hearted shoppers, 2) Anti-campaign shoppers, 3) Thrifty shoppers and 4) Conscious shoppers. These groups show differences in income, gender and generally in purchasing decisions, including the importance of sustainability and trademarks.

Possible future research directions include widening the sample and performing a representative study to see if it shows similarities to our indicative results, also provide possible further validation. There is also a possibility to internationalize the study, and compare these factors in different regions and countries. Further research should be made on the effects of communication channel preference, and not just advertisement frequency.

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